

The Jeff Diver Group, L.L.C.

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VIA ELECTRONIC MAIL AND FACSIMILE

August 6, 2002

Cynthia Kawakami
USEPA REGION 5
Office of Regional Counsel
C-14J
77 West Jackson Boulevard
Chicago, IL 60604-3590

Re: R. Lavin & Sons, Inc. – Meeting Agenda
Our File: 312.1

Dear Cynthia Kawakami:

We look forward to meeting with you and other representatives of interested federal and state agencies at your earliest convenience. As you suggested, we enclose (as **Attachment A**) a proposed agenda for your consideration. Mayor Thomas is available to meet on the following dates: August 12 at 3:00 P.M., August 15 at 1:00 P.M. or August 19 at 2:00 P.M.

We recommend that the meeting be conducted in North Chicago, either at the Great Lakes Naval Training Station, City Hall or the Lavin Property (assuming suitable accommodations are available). We suggest the following individuals attend the meeting:

Great Lakes Naval Station (Navy)

Captain Jerry Hart
Georgia Vlahos

City of North Chicago (City)

Mayor Bette Thomas
Jeffery Jeep
Bob Long
Rob May

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US EPA RECORDS CENTER REGION 5



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**Illinois Environmental Protection
Agency (IEPA)**Director Renee Cipriano
Don Gimbel**Office of Illinois Attorney General**

Christine Bucko

**United States Environmental
Protection Agency (USEPA)**Dave Ullrich
Cynthia Kawakami
Bill Bolen**United States Department of Justice**

Robert Darnell

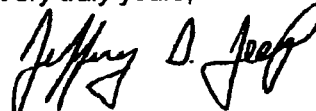
Office of Congressman Mark Kirk

Ed Kelly

We recognize that it is somewhat unorthodox to request the attendance of the Director of the IEPA and Acting Administrator for Region V. However, we have emphasized the urgency of a coordinated approach to stabilizing environmental conditions at, and facilitating the redevelopment of, the Lavin property. We assume there is agreement among the Navy, IEPA, USEPA and City on the importance of achieving this goal. We believe this goal is more likely to be achieved if the chief operating officers of the Navy, IEPA, USEPA and City give clear direction to their respective staffs. Indeed, our preference is that a meeting occur (without lawyers) between the Mayor, Director Cipriano, Regional Administrator Ullrich, and Captain Hart.

We look forward to meeting with you soon.

Very truly yours,



Jeffery D. Jeep

cc: Renee Cipriano
Captain Jerry Hart
Georgia Vlahos
Cynthia Kawakami
Mayor Bette ThomasBob Long
Rob May
Don Gimbel
Christine BuckoDave Ullrich
Bill Bolen
Robert Darnell
Ed Kelly

MEETING AGENDA

INTERGOVERNMENTAL STRATEGY R. LAVIN & SONS, INC. PROPERTY NORTH CHICAGO, ILLINOIS

- Existing Environmental Conditions at the Lavin Property
- Financial Resources of R. Lavin & Sons, Inc.
 - Cash
 - Insurance Policies
- Availability of Federal/State Funding
- Goals of the Navy, IEPA and USEPA
 - Pending/Final Settlement Agreements with R. Lavin
- Feasibility Analysis – Evaluate Goals in light of Available Resources
 - What can realistically be achieved to cleanup Lavin Property with available resources?
 - Consequences of a mismatch between Goals and Resources
- City Has as a Viable Plan for Redevelopment of the Lavin Property
 - History/Importance of Redevelopment to the City
 - Redevelopment Plan
 - Navy's long-range plans, including link between 19th Street (old main entrance) and MLK Drive
 - Greenfield Partners, Inc. – qualifications & experience
 - Environmental Conditions – A Developer's Perspective
 - Time is of the Essence

ATTACHMENT A

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- Tax Increment Financing and other City Resources
- Items Upon Which City Seeks To Achieve Consensus
 - **Fact:** Resources of Lavin estate are inadequate to pay for full compliance with federal and state environmental laws
 - **Fact:** Federal and State funding to cleanup property is unlikely
 - **Fact:** Over emphasis on litigation diverts the limited resources of the estate from cleanup work and risks ultimate "abandonment" of the Lavin property
 - **Fact:** The most likely source of additional funding for cleanup is private capital (redeveloper/tenants) and City resources (TIF financing)
 - **Acknowledgement:** Redevelopment of the property is the only practical means of stabilizing environmental conditions and obtaining long-term cleanup of the property
 - **Agreement:** All actions should be evaluated on basis of whether they hinder or promote redevelopment of the Lavin property
- A Coordinated Strategy – the City's Proposal
 - Focus Limited Resources of the Lavin estate on stabilizing environmental conditions at the property
 - Transfer ownership of the Lavin Property to the City (via eminent domain)
 - EPA settle with Lavin for cash + assignment of insurance + release
 - Reach an agreement addressing City's liability under CERCLA, RCRA, Clean Water Act, etc. with respect to future claims by the State and United States related to existing environmental conditions, both with respect to the Lavin Property and off-site locations
 - United States and State to review redevelopment plan
 - Establish priorities for site stabilization and long term cleanup
 - Address concerns with respect to future use and off-site receptors